

**FISCAL NOTE**  
**HB 256 - SB 348**

February 23, 2005

**SUMMARY OF BILL:** Reduces the occupational privilege tax from \$400 to \$200 for professionals employed part-time.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenues - \$1,469,000**


**Increase State Expenditures - \$51,000 One-Time**

Assumptions:

- Part-time employment is defined as a person engaged less than twenty (20) hours per week or earning less than one-half (1/2) of the average statewide salary for that occupation, as determined by the Department of Revenue.
- Current occupational privilege tax is \$400 per year.
- Bureau of Labor Statistics estimates that approximately 11.3% of managerial and professional specialty employees work fewer than 34 hours per week.
- 130,000 individuals are subject to occupational privilege tax.
- Estimated number working fewer than 34 hours per week is 14,690 (130,000 X 11.3% = 14,690).
- Estimated that 50% of the 14,690 individuals working fewer than 34 hours per week (or 7,345 individuals) actually work fewer than 20 hours per week.
- Estimated decrease in state revenues is \$1,469,000 (7,345 individuals X \$200 reduction in the occupational privilege tax = \$1,469,000).
- One-time expenditures for form development, software upgrades, and computer programming modifications are estimated at \$51,000.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director